Profile of B.C.'s Oil & Gas Sector

Prepared by Ministry of Skills Development and Labour

July 2004

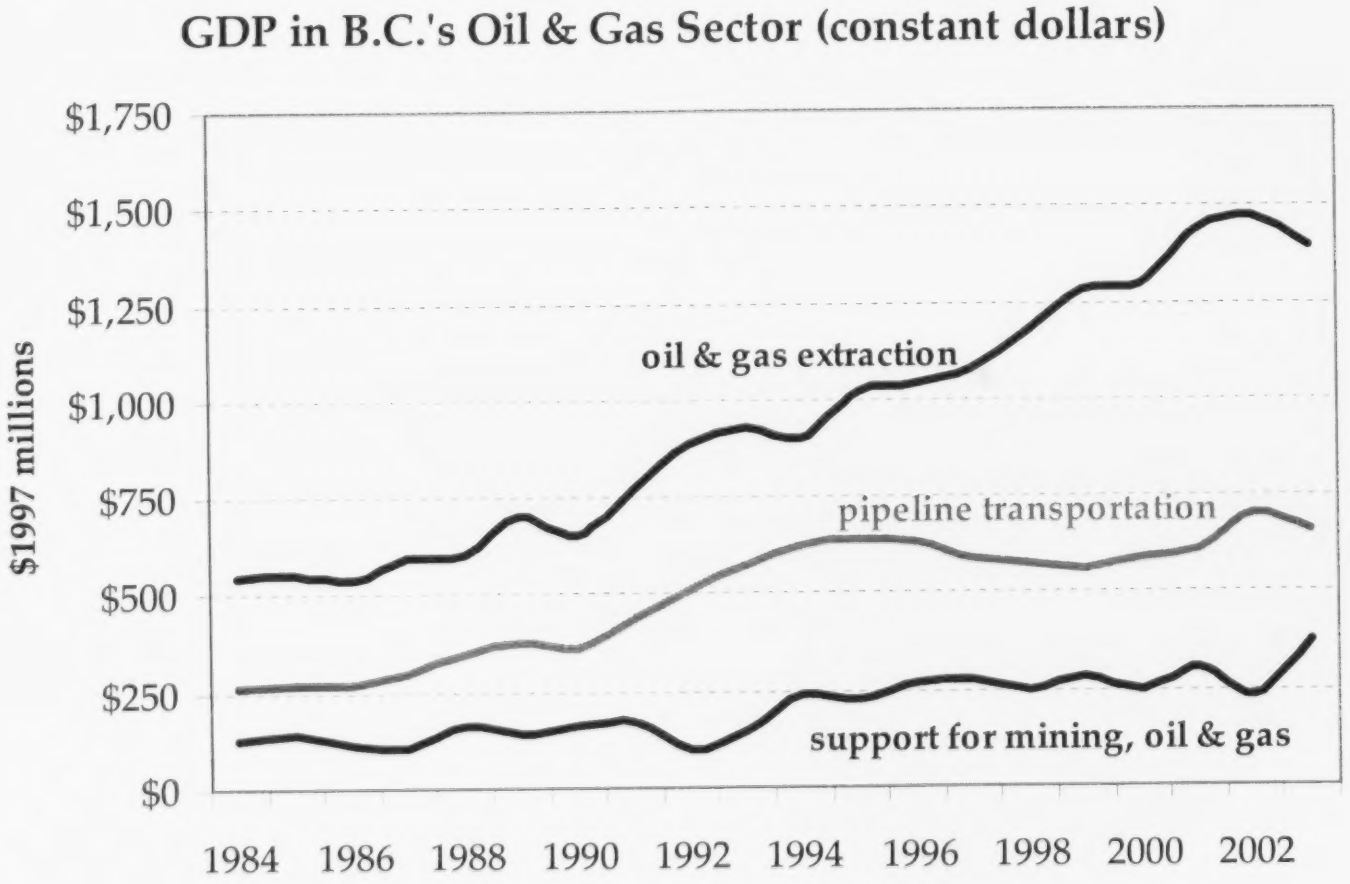
How big is the oil& gas sector?

- In 2003, the value of petroleum and natural gas production was $6.2 billion, up from $4.2 billion in 2002.
- This has increased almost 6-fold over production values of a decade ago.
- Sixty percent of the production value in this sector comes from natural gas production, which has increased sharply since the mid 1990's.
- There were 1,041 wells drilled in 2003 – up more than 200% from a decade ago.

How many businesses are there in the oil & gas sector?

- In 2003, there were 1,713 registered businesses in the mining, oil & gas sector in B.C.
  - 987 had no employees
  - 614 had 1-19 employees
  - 62 had 20-49 employees
  - 6 had 50 or more employees
- Most oil & gas and service companies are located in the Northeast, ranging from small drilling companies to large multi-national firms.

How much economic activity does the oil & gas sector generate?



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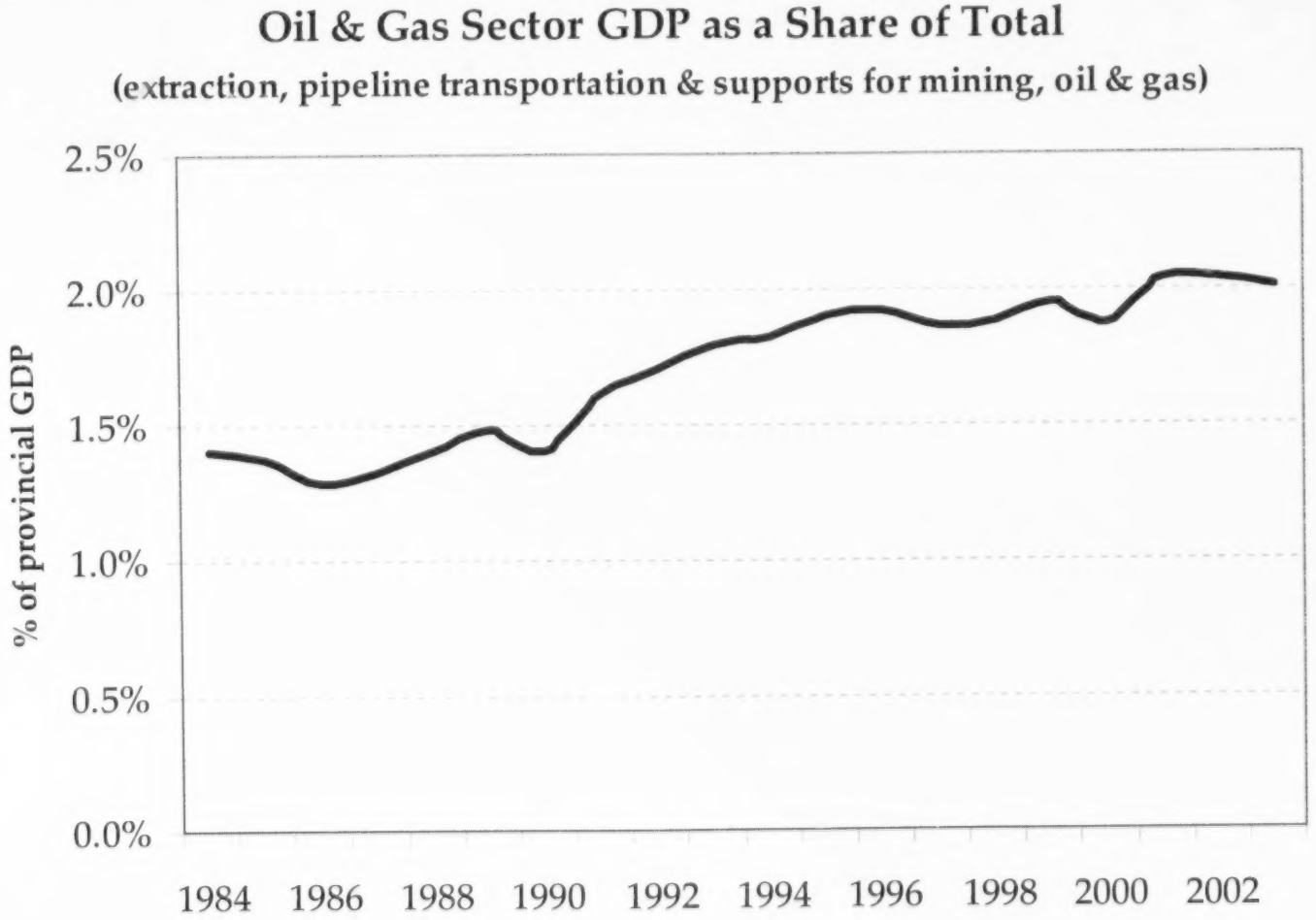
What proportion of the economy does this represent?



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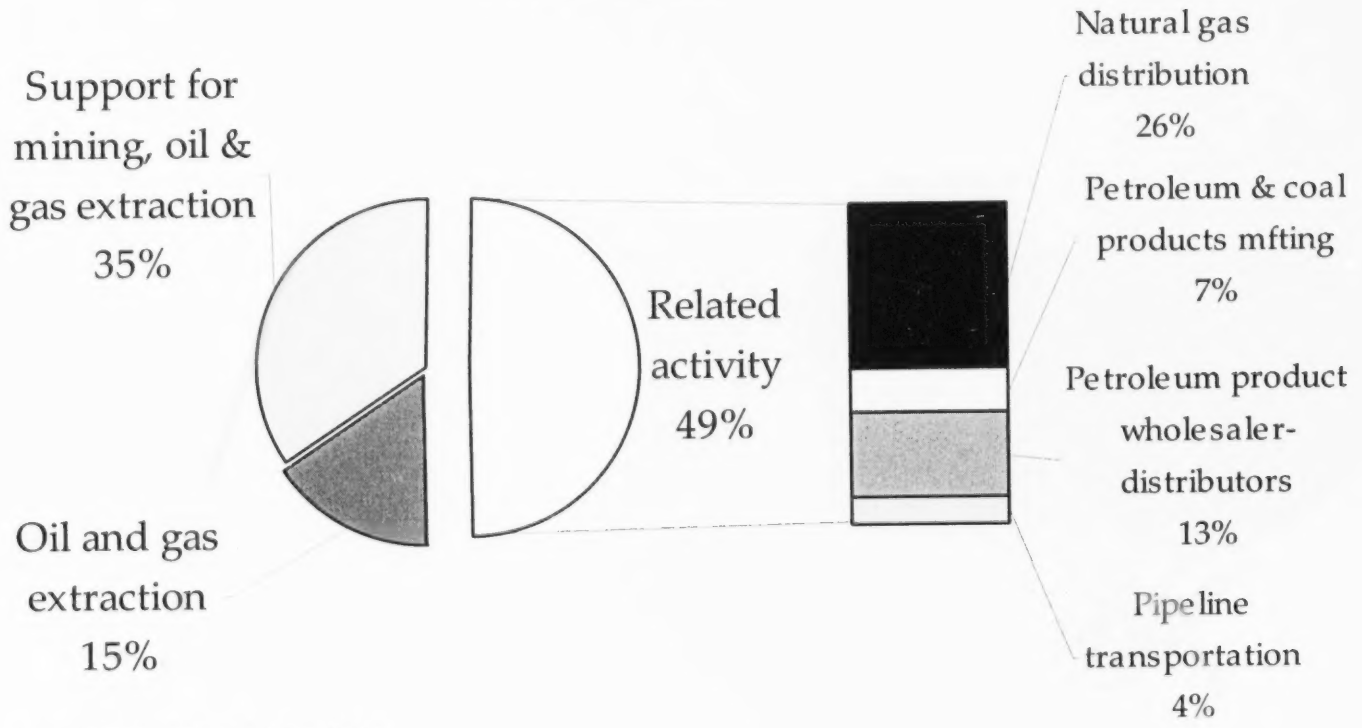
Where in the province is oil & gas production happening?

- The Northeast is the only area in the province producing oil and gas on a commercial basis.
- More than 12,000 wells have been drilled to date
- Frontier areas include:
  - Southeast (Fernie/Elk Valley)
  - Central Interior
  - Georgia Basin
  - Queen Charlottes and Tofino Basin

How many people are employed in oil & gas in B.C.?

Employment in B.C.'s Oil & Gas and support sectors

Total =10,040


Support for mining, oil & gas extraction 35%
Oil and gas extraction 15%
Related activity 49%
Natural gas distribution 26%
Petroleum & coal products mfting 7%
Petroleum product wholesaler-distributors 13%
Pipeline transportation 4%

Source: Census 2001, Unpublished data

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Current climate in the oil & gas sector

- B.C. is the second largest producer of oil & gas next to Alberta.
- Exports of Gas and Petroleum products continue to rise. Prices remain high, and demand from the U.S. remains strong.
- Approx. 18,000 km of pipeline in the province

Emerging opportunities

- Currently still great potential in the Northeast developments.
- Believed to be large natural gas deposits off the West Coast.
- Untapped coalbed methane reserves in the Northeast, Vancouver Island and Southeast.